

AMENDED IN ASSEMBLY JUNE 26, 2013

AMENDED IN ASSEMBLY JUNE 13, 2013

AMENDED IN SENATE APRIL 22, 2013

SENATE BILL

No. 656

Introduced by Senator Wright

February 22, 2013

An act to amend Sections ~~394.3~~ 392.1, 394.3, and 394.5 of, and to add Chapter 4.7 (commencing with Section 980) to Part 1 of Division 1 of, and to repeal Section ~~392.1~~ of, the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 656, as amended, Wright. Electrical restructuring: information practices.

~~Under~~

(1) *Under* existing law, the Public Utilities Commission has broad regulatory authority over public utilities, including electrical corporations, as defined. Existing law restructuring the electrical industry requires the commission to authorize and facilitate direct transactions between electricity suppliers and end-use customers subject to the implementation of a nonbypassable charge, as specified. Electrical restructuring requires electric service providers, which are entities that offer electrical service to customers within the service territory of an electrical corporation but which are not electrical corporations, to register with the commission and to disclose specified information, among other things and authorizes the commission to enforce specific statutes with respect to electric service providers, but does not grant the

commission jurisdiction to regulate electric service providers other than as specified.

Existing law restructuring the electrical industry requires the commission to compile and regularly update information regarding registered electric service providers, including the names and contact numbers of providers, information to assist consumers in making service choices, the number of customer complaints against specific providers in relation to the number of customers served by those providers, and the disposition of those complaints. In this regard, existing law requires the commission to direct the Office, now Division, of Ratepayer Advocates to collect and analyze this information for purposes of preparing easily understandable informational guides or other tools to help residential and small commercial customers understand how to evaluate competing electric service options.

This bill would ~~repeal, except for the compilation and updating of the names and contact numbers of providers, make inoperative the above provisions relating to informational guides for consumers, except for those times in which providers are authorized to offer service to residential customers and enrollment increases at a specified level,~~ and would make conforming changes in related provisions. *The bill would repeal the requirement related to the informational guides.*

(2) *The Public Utilities Act establishes various consumer protection provisions, including the requirement that each entity, other than an electrical corporation, offering electrical service to residential and small commercial customers within the service territory of an electrical corporation register with the commission and provide specified information to the commission. A violation of the act is a crime.*

This bill would extend those consumer protection provisions, including the requirement to register with, and provide specified information to the commission, to a core transport agent, as defined, offering gas service to residential and small commercial customers within the service territory of a gas corporation. Because a violation of the above provisions is a crime, this bill would impose a state-mandated local program.

(3) *The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 392.1 of the Public Utilities Code is~~
2 ~~repealed.~~

3 ~~SECTION 1. Section 392.1 of the Public Utilities Code is~~
4 ~~amended to read:~~

5 392.1. (a) The commission shall compile and regularly update
6 ~~the following information:~~ names and contact numbers of registered
7 ~~providers, information providers.~~

8 (b) (1) *The commission shall also compile and regularly update*
9 ~~information to assist consumers in making service choices, choices~~
10 and the number of customer complaints against specific providers
11 in relation to the number of customers served by those providers
12 and the disposition of those complaints. To facilitate this function,
13 registered entities shall file with the commission information
14 describing the terms and conditions of any standard service plan
15 made available to residential and small commercial customers.
16 The commission shall adopt a standard format for this filing. The
17 commission shall maintain and make generally available a list of
18 entities offering electrical services operating in California. This
19 list shall include all registered providers and those providers not
20 required to be registered who request the commission to be
21 included in the list. The commission shall, upon request, make this
22 information available at no charge. Notwithstanding any other
23 provision of law, public agencies ~~which~~ *that* are registered entities
24 shall be required to disclose their terms and conditions of service
25 contracts only to the same extent that other registered entities
26 would be required to disclose the same or similar service contracts.

27 ~~(b)~~
28 (2) The commission shall issue public alerts about companies
29 attempting to provide electric service in the state in an unauthorized
30 or fraudulent manner as defined in subdivision (b) of Section
31 394.25.

32 ~~(c) The commission shall direct the Office of Ratepayer~~
33 ~~Advocates to collect and analyze information provided pursuant~~
34 ~~to subdivision (a) for purposes of preparing easily understandable~~
35 ~~informational guides or other tools to help residential and small~~

1 commercial customers understand how to evaluate competing
2 electric service options. In implementing these provisions, the
3 commission shall direct the Office of Ratepayer Advocates to pay
4 special attention to ensuring that customers, especially those with
5 limited-English-speaking ability or other disadvantages when
6 dealing with marketers, receive correct, reliable, and easily
7 understood information to help them make informed choices. The
8 Office of Ratepayer Advocates shall not make specific
9 recommendations or rank the relative attractiveness of specific
10 service offerings of registered providers of electric services.

11 (3) (A) *This subdivision is inoperative except for time periods*
12 *in which providers are authorized to offer service to residential*
13 *customers and the combined enrollments in competitive retail*
14 *electric service in the service territories of the Pacific Gas and*
15 *Electric Company, Southern California Edison Company, and San*
16 *Diego Gas and Electric Company increase at a rate of more than*
17 *5 percent per month.*

18 (B) *The commission shall notify, in writing, the Secretary of*
19 *State at the beginning and end of any time period described in*
20 *subparagraph (A).*

21 SEC. 2. Section 394.3 of the Public Utilities Code is amended
22 to read:

23 394.3. To carry out essential elements of a sustainable and
24 effective consumer protection program in connection with electric
25 service providers offering electrical service to residential and small
26 commercial customers as intended by the Legislature in this article,
27 the following shall apply:

28 (a) The commission shall collect a registration fee of one
29 hundred dollars (\$100) from electric service providers required to
30 register under this article, and deposit the fee proceeds in the Public
31 Utilities Reimbursement Account established under Section 402.

32 (b) The commission shall annually determine the costs of
33 administering the registration program and other facets of consumer
34 protection directly related to the direct access transactions of
35 electric service providers. The commission shall collect only those
36 costs not already being collected elsewhere. A registrant who fails
37 to submit to the commission a required fee or a piece of information
38 upon which fees are calculated within 30 days of billing shall be
39 subject to a 15-percent penalty.

1 SEC. 3. Section 394.5 of the Public Utilities Code is amended
2 to read:

3 394.5. (a) Except for an electrical corporation as defined in
4 Section 218, or a local publicly owned electric utility offering
5 electrical service to residential and small commercial customers
6 within its service territory, each electric service provider offering
7 electrical service to residential and small commercial customers
8 shall, prior to the commencement of service, provide the potential
9 customer with a written notice of the service describing the price,
10 terms, and conditions of the service. A notice shall include all of
11 the following:

12 (1) A clear description of the price, terms, and conditions of
13 service, including:

14 (A) The price of electricity expressed in a format that makes it
15 possible for residential and small commercial customers to compare
16 and select among similar products and services on a standard basis.
17 The commission shall adopt rules to implement this subdivision.
18 The commission shall require disclosure of the total price of
19 electricity on a cents-per-kilowatthour basis, including the costs
20 of all electric services and charges regulated by the commission.
21 The commission shall also require estimates of the total monthly
22 bill for the electric service at varying consumption levels, including
23 the costs of all electric services and charges regulated by the
24 commission. In determining these rules, the commission may
25 consider alternatives to the cents-per-kilowatthour disclosure if
26 other information would provide the customer with sufficient
27 information to compare among alternatives on a standard basis.

28 (B) Separate disclosure of all recurring and nonrecurring charges
29 associated with the sale of electricity.

30 (C) If services other than electricity are offered, an itemization
31 of the services and the charge or charges associated with each.

32 (2) An explanation of the applicability and amount of the
33 competition transition charge, as determined pursuant to Sections
34 367 to 376, inclusive.

35 (3) A description of the potential customer's right to rescind
36 the contract without fee or penalty as described in Section 395.

37 (4) An explanation of the customer's financial obligations, as
38 well as the procedures regarding past due payments, discontinuance
39 of service, billing disputes, and service complaints.

1 (5) The electric service provider's registration number, if
2 applicable.

3 (6) The right to change service providers upon written notice,
4 including disclosure of any fees or penalties assessed by the
5 supplier for early termination of a contract.

6 (7) A description of the availability of low-income assistance
7 programs for qualified customers and how customers can apply
8 for these programs.

9 (b) The commission may assist electric service providers in
10 developing the notice. The commission may suggest inclusion of
11 additional information it deems necessary for the consumer
12 protection purposes of this section. On at least a semiannual basis,
13 electric service providers shall provide the commission with a copy
14 of the form of notice included in standard service plans made
15 available to residential and small commercial customers.

16 (c) An electric service provider offering electric services who
17 declines to provide those services to a consumer shall, upon request
18 of the consumer, disclose to that consumer the reason for the denial
19 in writing within 30 days. At the time service is denied, the electric
20 service provider shall disclose to the consumer the right to make
21 this request. A consumer shall have at least 30 days from the date
22 service is denied to make the request.

23 *SEC. 4. Chapter 4.7 (commencing with Section 980) is added*
24 *to Part 1 of Division 1 of the Public Utilities Code, to read:*

25
26 *CHAPTER 4.7. CORE TRANSPORT AGENT*

27
28 980. *As used in this chapter, the following terms mean the*
29 *following:*

30 (a) *"Core transport agent" means an entity that offers gas*
31 *service to customers within the service territory of a gas*
32 *corporation, but does not include a gas corporation, and does not*
33 *include a public agency that offers gas service to residential and*
34 *small commercial customers within its jurisdiction, or within the*
35 *service territory of a local publicly owned gas utility. "Core*
36 *transport agent" includes the unregulated affiliates and*
37 *subsidiaries of a gas corporation.*

38 (b) *"Gas corporation" has the same meaning as that set forth*
39 *in Section 222.*

1 (c) “Small commercial customer” means a customer that has
2 a maximum peak demand of less than ___ therms.

3 981. (a) A core transport agent shall register with the
4 commission. As a precondition to registration, the core transport
5 agent shall provide, under oath, declaration, or affidavit, all of
6 the following information to the commission:

7 (1) Legal name and any other names under which the core
8 transport agent is doing business in California.

9 (2) Current telephone number.

10 (3) Current address.

11 (4) Agent for service of process.

12 (5) State and date of incorporation, if any.

13 (6) Number for a customer contact representative, or other
14 personnel for receiving customer inquiries.

15 (7) Brief description of the nature of the service being provided.

16 (8) Disclosure of any civil, criminal, or regulatory sanctions or
17 penalties imposed within the 10 years immediately prior to
18 registration, against the company or any owner, partner, officer,
19 or director of the company pursuant to any state or federal
20 consumer protection law or regulation, and of any felony
21 convictions of any kind against the company or any owner, partner,
22 officer, or director of the company. In addition, a core transport
23 agent shall furnish the commission with fingerprints for those
24 owners, partners, officers, and managers of the core transport
25 agent specified by any commission decision applicable to all core
26 transport agents. The commission shall submit completed
27 fingerprint cards to the Department of Justice. Those fingerprints
28 shall be available for use by the Department of Justice and the
29 Department of Justice may transmit the fingerprints to the Federal
30 Bureau of Investigation for a national criminal history record
31 check. The commission may use information obtained from a
32 national criminal history record check conducted pursuant to this
33 section to determine a core transport agent’s eligibility for
34 registration.

35 (9) Proof of financial viability. The commission shall develop
36 uniform standards for determining financial viability and shall
37 publish those standards for public comment no later than June 30,
38 2014. In determining the financial viability of the core transport
39 agent, the commission shall take into account the number of
40 customers the potential registrant expects to serve, the number of

1 *therms of gas it expects to provide, and any other appropriate*
2 *criteria to ensure that residential and small commercial customers*
3 *have adequate recourse in the event of fraud or nonperformance.*

4 *(10) Proof of technical and operational ability. The commission*
5 *shall develop uniform standards for determining technical and*
6 *operational capacity and shall publish those standards for public*
7 *comment no later than June 30, 2014.*

8 *(b) A registration filing approved by the commission prior to*
9 *January 1, 2014, that does not comply in all respects with the*
10 *requirements of subdivision (a) shall nevertheless continue in force*
11 *and effect as long as before July 1, 2014, the core transport agent*
12 *undertakes to supplement its registration filing to the satisfaction*
13 *of the commission. A registration that is not supplemented by the*
14 *required information within the time set forth in this subdivision*
15 *shall be suspended by the commission and shall not be reinstated*
16 *until the commission has found the registration to be in full*
17 *compliance with subdivision (a).*

18 *(c) Before reentering the market, a core transport agent whose*
19 *registration has been revoked shall file a formal application with*
20 *the commission that satisfies the requirements set forth in Section*
21 *982 and demonstrates the fitness and ability of the core transport*
22 *agent to comply with all applicable rules of the commission.*

23 *(d) Registration with the commission is an exercise of the*
24 *licensing function of the commission, and does not constitute*
25 *regulation of the rates or terms and conditions of service offered*
26 *by core transport agents. This part does not authorize the*
27 *commission to regulate the rates or terms and conditions of service*
28 *offered by core transport agents.*

29 *982. (a) The registration shall be deemed approved and a*
30 *registration number issued no later than 45 days after the required*
31 *information has been submitted, unless the commission's executive*
32 *director finds, upon review of the information submitted by the*
33 *core transport agent or available to the commission, that there is*
34 *evidence to support a finding that the core transport agent has*
35 *committed an act constituting grounds for denial of registration*
36 *as specifically set forth in the operative provisions of this chapter,*
37 *including, but not limited to, subdivision (c).*

38 *(b) Upon a finding by the commission's executive director that*
39 *there is evidence to support a finding that the core transport agent*
40 *has committed an act constituting grounds for denial of registration*

1 as set forth in this section, the commission shall notify the core
2 transport agent in writing, cause the documents submitted by the
3 core transport agent to be filed as a formal application for
4 registration, and notice an expedited hearing on the registration
5 of the core transport agent to be held within 30 days of the
6 notification to the core transport agent of the executive director's
7 finding of evidence to support denial of registration. The
8 commission shall, within 45 days after holding the hearing, issue
9 a decision on the registration request which shall be based on the
10 findings of fact and conclusions of law based on the evidence
11 presented at the hearing. The decision shall include the findings
12 of fact and the conclusions of law relied upon.

13 (c) (1) The commission may deny an application for registration
14 in accordance with subdivision (b) on the grounds that the core
15 transport agent or any officer or director of the core transport
16 agent has one or more of the following:

17 (A) Been convicted of a crime as described in paragraph (8) of
18 subdivision (a) of Section 981.

19 (B) Failure to make a sufficient showing with respect to
20 paragraphs (1) to (10), inclusive, of subdivision (a) of Section 981.

21 (C) Knowingly made a false statement of fact in the application
22 for registration.

23 (2) The commission may deny registration pursuant to this
24 subdivision only if the crime or act is substantially related to the
25 qualifications, functions, or duties required to provide gas service
26 to end use customers of gas or the false statement is material to
27 the registration application. For purposes of this subdivision,
28 conviction of a crime shall be established in the same manner as
29 that set forth in paragraph (1) of subdivision (a) of Section 480 of
30 the Business and Professions Code.

31 (d) The commission shall require core transport agents
32 registered under this section to update their registration
33 information set forth in paragraphs (1) to (10), inclusive, of
34 subdivision (a) of Section 981 within 60 days of any material
35 change in the information provided. Material changes to any other
36 information required pursuant to this article shall be updated
37 annually.

38 983. (a) The commission shall accept, compile, and attempt
39 to informally resolve consumer complaints regarding core
40 transport agents. If the commission reasonably suspects a pattern

1 of customer abuses, the commission may, on its own motion, initiate
2 investigations into the activities of a core transport agent offering
3 gas service. Consumer complaints regarding service by a public
4 agency offering gas service within the political boundary of the
5 public agency or service territory of a local publicly owned gas
6 utility shall continue to be resolved by the public agency. Within
7 the service territory of a local publicly owned utility, consumer
8 complaints arising from the violation of core transport service
9 rules adopted by the governing body of the local publicly owned
10 utility shall be resolved through the local publicly owned utility's
11 consumer complaint procedures.

12 (b) Notwithstanding other provisions, residential and small
13 commercial customers shall have the option to proceed with a
14 complaint against a core transport agent either through an action
15 filed in the judicial court system or through a complaint filed with
16 the commission. A customer who elects either the judicial or
17 commission remedies may not raise the same claim in both forums.
18 The commission shall have the authority to accept, compile, and
19 resolve residential, and small commercial consumer complaints,
20 including the authority to award reparations. The commission's
21 authority in these complaint proceedings is limited to adjudication
22 of complaints regarding residential and small commercial gas
23 service provided by a core transport agent and shall not be
24 expanded to include either an award of any other damages or
25 regulation of the rates or charges of the core transport agent.
26 However, a person or core transport agent that takes a conflict to
27 the commission shall not be precluded from pursuing an appeal
28 of the decision through the courts as provided for by law.

29 (c) In connection with customer complaints or commission
30 investigations into customer abuses, core transport agents shall
31 provide the commission access to their accounts, books, papers,
32 and documents related to California transactions as described in
33 Sections 313 and 314, if the information is relevant to the complaint
34 or investigation.

35 (d) A core transport agent shall not discontinue service to a
36 customer for a disputed amount if that customer has filed a
37 complaint that is pending with the commission, and that customer
38 has paid the disputed amount into an escrow account.

39 983.5. (a) (1) The commission may enforce Sections 2102,
40 2103, 2104, 2105, 2107, 2108, and 2114 against a core transport

1 agent as if the core transport agent is a public utility for purposes
2 of those sections.

3 (2) Notwithstanding paragraph (1), this section does not grant
4 the commission jurisdiction to regulate core transport agents other
5 than as specifically set forth in this chapter. Core transport agents
6 shall continue to be subject to Sections 2111 and 2112.

7 (3) Upon a finding by the commission's executive director that
8 there is evidence to support a finding that the core transport agent
9 has committed an act constituting grounds for suspension or
10 revocation of registration as set forth in subdivision (b), the
11 commission shall notify the core transport agent in writing and
12 notice an expedited hearing on the suspension or revocation of
13 the core transport agent's registration to be held within 30 days
14 of the notification to the core transport agent of the executive
15 director's finding of evidence to support suspension or revocation
16 of registration. The commission shall, within 45 days after holding
17 the hearing, issue a decision on the suspension or revocation of
18 registration, which shall be based on findings of fact and
19 conclusions of law based on the evidence presented at the hearing.
20 The decision shall include the findings of fact and the conclusions
21 of law relied upon.

22 (b) A core transport agent may have its registration suspended
23 or revoked, immediately or prospectively, in whole or in part, for
24 any of the following acts:

25 (1) Making material misrepresentations in the course of
26 soliciting customers, entering into service agreements with those
27 customers, or administering those service agreements.

28 (2) Dishonesty, fraud, or deceit with the intent to substantially
29 benefit the core transport agent or its employees, agents, or
30 representatives, or to disadvantage retail gas customers.

31 (3) If the commission finds that there is evidence that the core
32 transport agent is not financially or operationally capable of
33 providing the offered gas service.

34 (4) The misrepresentation of a material fact by an applicant in
35 obtaining a registration pursuant to Section 981.

36 (c) Pursuant to its authority to revoke or suspend registration,
37 the commission may suspend a registration for a specified period
38 or revoke the registration, or in lieu of suspension or revocation,
39 impose a moratorium on adding or soliciting additional customers.
40 Any suspension or revocation of a registration shall require the

1 core transport agent to cease serving customers within the
2 boundaries of investor-owned gas corporations, and the affected
3 customers shall be served by the gas corporation until the time
4 when they may select service from another core transport agent.
5 A customer shall not be liable for the payment of any early
6 termination fees or other penalties to any core transport agent
7 under the service agreement if the serving core transport agent's
8 registration is suspended or revoked.

9 (d) If a customer of a core transport agent is involuntarily
10 returned to service provided by a gas corporation, any reentry fee
11 imposed on that customer that the commission deems is necessary
12 to avoid imposing costs on other customers of the gas corporation
13 shall be the obligation of the core transport agent, except in the
14 case of a customer returned due to default in payment or other
15 contractual obligations or because the customer's contract has
16 expired. As a condition of its registration, a core transport agent
17 shall post a bond or demonstrate insurance sufficient to cover
18 those reentry fees. In the event that a core transport agent becomes
19 insolvent and is unable to discharge its obligation to pay reentry
20 fees, the fees shall be allocated to the returning customers.

21 983.7. If a customer files a claim with a gas corporation for
22 damages to property resulting from the curtailment of gas service
23 due to the failure of the gas corporation to reasonably provide
24 service or restore service within a reasonable time after a fire,
25 flood, earthquake, other natural disaster, or act of God, the gas
26 corporation shall inform the customer that the claim may be
27 pursued in small claims court or other judicial courts, depending
28 on the amount of the claim.

29 984. In order to carry out essential elements of a sustainable
30 and effective consumer protection program in connection with
31 core transport agents offering gas service to residential and small
32 commercial customers as intended by the Legislature in this
33 chapter, the following shall apply:

34 (a) A registration fee of one hundred dollars (\$100) shall be
35 collected from a core transport agent required to register under
36 this chapter and the fee proceeds shall be deposited in the Public
37 Utilities Reimbursement Account established under Section 402.

38 (b) The commission shall annually determine the costs of
39 administering the registration program and other facets of
40 consumer protection directly related to the core transport service

1 transactions of core transport agents, including the cost for the
2 duties imposed pursuant to subdivision (c) of Section 984.5. The
3 commission shall only collect those costs not already being
4 collected elsewhere. Registrants who fail to submit to the
5 commission required fees or information upon which fees are
6 calculated within 30 days of billing shall be subject to a 15-percent
7 penalty.

8 984.5. (a) The commission shall compile and regularly update
9 the following information: names and contact numbers of a
10 registered core transport agent, information to assist consumers
11 in making service choices, and the number of customer complaints
12 against specific providers in relation to the number of customers
13 served by those providers and the disposition of those complaints.
14 To facilitate this function, registered entities shall file with the
15 commission information describing the terms and conditions of
16 any standard service plan made available to residential and small
17 commercial customers. The commission shall adopt a standard
18 format for this filing. The commission shall maintain and make
19 generally available a list of entities offering core transport services
20 operating in California. This list shall include all registered core
21 transport agents and those agents not required to be registered
22 that request the commission to be included on the list. The
23 commission shall, upon request, make this information available
24 at no charge. Notwithstanding any other law, public agencies that
25 are registered entities shall be required to disclose their terms and
26 conditions of service contracts only to the same extent that other
27 registered entities would be required to disclose the same or similar
28 service contracts.

29 (b) The commission shall issue public alerts about companies
30 attempting to provide core transport service in the state in an
31 unauthorized or fraudulent manner as defined in subdivision (b)
32 of Section 983.5.

33 (c) The commission shall direct the Office of Ratepayer
34 Advocates to collect and analyze information provided pursuant
35 to subdivision (a) for purposes of preparing easily understandable
36 informational guides or other tools to help residential and small
37 commercial customers understand how to evaluate competing core
38 transport service options. In implementing these provisions, the
39 commission shall direct the Office of Ratepayer Advocates to pay
40 special attention to ensuring that customers, especially those with

1 *limited-English-speaking ability or other disadvantages when*
2 *dealing with marketers, receive correct, reliable, and easily*
3 *understood information to help them make informed choices. The*
4 *Office of Ratepayer Advocates shall not make specific*
5 *recommendations or rank the relative attractiveness of specific*
6 *service offerings of registered providers of core transport services.*

7 985. *Rules that implement the following minimum standards*
8 *shall be adopted by the commission for core transport agents*
9 *offering gas services to residential and small commercial customers*
10 *and the governing body of a public agency offering gas services*
11 *to residential and small commercial customers within its*
12 *jurisdiction:*

13 (a) *Confidentiality. Customer information shall be confidential*
14 *unless the customer consents in writing. This shall encompass*
15 *confidentiality of customer specific billing, credit, or usage*
16 *information. This requirement shall not extend to disclosure of*
17 *generic information regarding the usage, load shape, or other*
18 *general characteristics of a group or rate classification, unless*
19 *the release of that information would reveal customer specific*
20 *information because of the size of the group, rate classification,*
21 *or nature of the information.*

22 (b) *Physical disconnects and reconnects. Only a gas*
23 *corporation, or a publicly owned gas utility, that provides physical*
24 *delivery service to the affected customer shall have the authority*
25 *to physically disconnect or reconnect a customer from the*
26 *transmission or distribution grid. Physical disconnection by gas*
27 *corporations subject to the commission's jurisdiction shall occur*
28 *only in accordance with protocols established by the commission.*
29 *Physical disconnection by publicly owned gas utilities shall occur*
30 *only in accordance with protocols established by the governing*
31 *board of the local publicly owned gas utility.*

32 (c) *Change in providers. Upon adequate notice supplied by a*
33 *core transport agent to the gas corporation or local publicly owned*
34 *gas utility providing physical delivery service, customers who are*
35 *eligible for core transport service may change their energy*
36 *supplier. Energy suppliers may charge for this change, provided*
37 *that any fee or penalty charged by the supplier associated with*
38 *early termination of service, shall be disclosed in that contract or*
39 *applicable tariff.*

1 (d) *Written notices.* Notices describing the terms and conditions
2 of service as described in Section 986, service agreements, notices
3 of late payment, notices of discontinuance of service, and
4 disconnection notices addressed to residential and small
5 commercial customers shall be easily understandable and shall
6 be provided in the language in which the core transport agent
7 offered the services.

8 (e) *Billing.* All bills shall have a standard bill format, as
9 determined by the commission or the governing body, and shall
10 contain sufficient detail for the customer to recalculate the bill for
11 accuracy. Any late fees shall be separately stated. A core transport
12 agent shall provide on all customer bills a telephone number by
13 which customers may contact the core transport agent to report
14 and resolve billing inquiries and complaints. A core transport
15 agent contacted by a customer regarding a billing dispute shall
16 advise the customer at the time of the initial contact that the
17 customer may file a complaint with the commission if the
18 customer's dispute is not satisfactorily resolved by the core
19 transport agent.

20 (f) *Meter integrity.* A gas customer shall have a reasonable
21 opportunity to have his or her meter tested to ensure the reasonable
22 accuracy of the meter. The commission or governing body shall
23 determine who is responsible for the cost of that testing.

24 (g) *Customer deposits.* Core transport agents may require
25 customer deposits before commencing service, but in no event
26 shall the deposit be more than the estimated bill for the customer
27 for a three-month period.

28 (h) *Additional protections.* The commission or the governing
29 body may adopt additional residential and small commercial
30 consumer protection standards that are in the public interest.

31 986. (a) *Except for a gas corporation, or a local publicly*
32 *owned gas utility offering gas service to residential and small*
33 *commercial customers within its service territory, a core transport*
34 *agent offering gas service to residential and small commercial*
35 *customers shall, prior to the commencement of service, provide*
36 *the potential customer with a written notice of the service*
37 *describing the price, terms, and conditions of the service. The*
38 *notices shall include all of the following:*

39 (1) *A clear description of the price, terms, and conditions of*
40 *service, including all of the following:*

1 (A) *The price of gas expressed in a format that makes it possible*
2 *for residential and small commercial customers to compare and*
3 *select among similar products and services on a standard basis.*
4 *The commission shall adopt rules to implement this subdivision.*
5 *The commission shall require disclosure of the total price of gas*
6 *on a cents-per-therm basis, including the costs of all gas services*
7 *and charges regulated by the commission. The commission shall*
8 *also require estimates of the total monthly bill for the gas service*
9 *at varying consumption levels, including the costs of all gas*
10 *services and charges regulated by the commission. In determining*
11 *these rules, the commission may consider alternatives to the*
12 *cents-per-therm disclosure if other information would provide the*
13 *customer with sufficient information to compare among alternatives*
14 *on a standard basis.*

15 (B) *Separate disclosure of all recurring and nonrecurring*
16 *charges associated with the sale of gas.*

17 (C) *If services other than gas are offered, an itemization of the*
18 *services and the charge or charges associated with each.*

19 (2) *A description of the potential customer's right to rescind*
20 *the contract without fee or penalty as described in Section 989.1.*

21 (3) *An explanation of the customer's financial obligations, as*
22 *well as the procedures regarding past due payments,*
23 *discontinuance of service, billing disputes, and service complaints.*

24 (4) *The core transport agent's registration number, if applicable.*

25 (5) *The right to change service providers upon written notice,*
26 *including disclosure of any fees or penalties assessed by the*
27 *supplier for early termination of a contract.*

28 (6) *A description of the availability of low-income assistance*
29 *programs for qualified customers and how customers can apply*
30 *for these programs.*

31 (b) *The commission may assist core transport agents in*
32 *developing the notice. The commission may suggest inclusion of*
33 *additional information it deems necessary for the consumer*
34 *protection purposes of this section. On at least a semiannual basis,*
35 *a core transport agent shall provide the commission with a copy*
36 *of the form of notice included in its standard service plans made*
37 *available to residential and small commercial customers as*
38 *described in subdivision (a) of Section 984.5.*

39 (c) *Any core transport agent offering gas services who declines*
40 *to provide those services to a consumer shall, upon request of the*

1 consumer, disclose to that consumer the reason for the denial in
2 writing within 30 days. At the time service is denied, the core
3 transport agent shall disclose to the consumer his or her right to
4 make this request. Consumers shall have at least 30 days from the
5 date service is denied to make the request.

6 987. (a) The commission shall maintain a list of residential
7 and small commercial customers who do not wish to be solicited
8 by telephone, by a gas corporation, marketer, broker, or
9 aggregator for gas service, to subscribe to or change their core
10 transport agent. The commission shall not assess a charge for
11 inclusion of a customer on the list. The list shall be updated
12 periodically, but no less than quarterly.

13 (b) The list shall include sufficient information for gas
14 corporations, marketers, brokers, or aggregators of gas service
15 to identify customers who do not wish to be solicited, including a
16 customer's address and telephone number. The list shall be made
17 accessible electronically from the commission to any party
18 regulated as a gas corporation or registered at the commission as
19 an electric marketer, broker, or aggregator of gas service.

20 (c) A gas corporation, marketer, broker, or aggregator of gas
21 service shall not solicit, by telephone, any customer on the list
22 prepared pursuant to subdivision (a). Any gas corporation,
23 marketer, broker, or aggregator of gas service, or the
24 representative of a gas corporation, marketer, broker, or
25 aggregator of gas service, who solicits any customer on the list
26 prepared pursuant to subdivision (a) more than once shall be liable
27 to the customer for twenty-five dollars (\$25) for each contact in
28 violation of this subdivision.

29 988. Notwithstanding any other provision of this chapter,
30 requirements placed on a core transport agent shall not apply to
31 gas services provided by a local publicly owned gas utility to
32 customers within the jurisdiction or service territory of that local
33 publicly owned gas utility.

34 989. Unclaimed refunds ordered by the commission, and any
35 accrued interest, may be used by the commission to fund additional
36 consumer protection efforts.

37 989.1. (a) In addition to any other right to revoke an offer,
38 residential and small commercial customers of gas service, have
39 the right to cancel a contract for gas service until midnight of the

1 *third business day after the day on which the buyer signs an*
2 *agreement or offer to purchase.*

3 *(b) Cancellation occurs when the buyer gives written notice of*
4 *cancellation to the seller at the address specified in the agreement*
5 *or offer.*

6 *(c) Notice of cancellation, if given by mail, is effective when*
7 *deposited in the mail properly addressed with postage prepaid.*

8 *(d) Notice of cancellation given by the buyer need not take the*
9 *particular form as provided with the contract or offer to purchase*
10 *and, however expressed, is effective if it indicates the intention of*
11 *the buyer not to be bound by the contract.*

12 989.5. *(a) A consumer damaged by a violation of this chapter*
13 *by a core transport agent is entitled to recover all of the following:*

14 *(1) Actual damages.*

15 *(2) The consumer's reasonable attorney's fees and court costs.*

16 *(3) Exemplary damages, in the amount the court deems proper,*
17 *for intentional or willful violations.*

18 *(4) Equitable relief as the court deems proper.*

19 *(b) The rights, remedies, and penalties established by this*
20 *chapter are in addition to the rights, remedies, or penalties*
21 *established under any other law.*

22 *(c) This chapter does not abrogate any authority of the Attorney*
23 *General to enforce existing law.*

24 SEC. 5. *No reimbursement is required by this act pursuant to*
25 *Section 6 of Article XIII B of the California Constitution because*
26 *the only costs that may be incurred by a local agency or school*
27 *district will be incurred because this act creates a new crime or*
28 *infraction, eliminates a crime or infraction, or changes the penalty*
29 *for a crime or infraction, within the meaning of Section 17556 of*
30 *the Government Code, or changes the definition of a crime within*
31 *the meaning of Section 6 of Article XIII B of the California*
32 *Constitution.*